

General Assembly

Raised Bill No. 957

January Session, 2017

LCO No. 4739



Referred to Committee on PUBLIC SAFETY AND SECURITY

Introduced by: (PS)

## AN ACT CONCERNING THE REGULATION OF GAMING AND THE AUTHORIZATION OF A CASINO GAMING FACILITY IN THE STATE.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1 Section 1. Section 12-557b of the general statutes is repealed and the
- 2 following is substituted in lieu thereof (*Effective from passage*):
- As used in this chapter, sections 12-579 and 12-580, [and] chapter
- 4 226b, and sections 2 to 5, inclusive, of this act, and section 53-278g, as
- 5 amended by this act, unless the context otherwise requires:
- 6 (1) "Commissioner" means the Commissioner of Consumer
- 7 Protection;
- 8 (2) "Department" means the Department of Consumer Protection;
- 9 (3) "Business organization" means a partnership, incorporated or
- 10 unincorporated association, firm, corporation, trust or other form of
- business or legal entity, other than a financial institution regulated by a
- 12 state or federal agency which is not exercising control over an
- association licensee, but does not mean any governmental or sovereign

LCO No. 4739 **1** of 15

14 entity; [and]

22

2324

35

36

37

38

39

40

41

42

43

- 15 (4) "Control" means the power to exercise authority over or direct 16 the management and policies of a person or business organization; [.]
- 17 (5) "Casino gaming facility" means any casino gaming facility
  18 authorized by the General Assembly to conduct authorized games on
  19 its premises, but does not include any casino gaming facility located on
  20 the reservations of the Mashantucket Pequot Tribe or the Mohegan
  21 Tribe of Indians of Connecticut;
  - (6) "Authorized game" means any game of chance specifically authorized by the General Assembly to be conducted at a casino gaming facility; and
- 25 (7) "Gross gaming revenue" means the total of all sums actually 26 received by a casino gaming facility from gaming operations less the 27 total of all sums paid as winnings to patrons of the casino gaming 28 facility, provided the total of all sums paid as winnings to such patrons 29 shall not include the cash equivalent value of any merchandise or 30 thing of value included in a jackpot or payout, and provided further 31 the issuance to or wagering by such patrons of any promotional 32 gaming credit shall not be included in the total of all sums actually 33 received by a casino gaming facility for the purposes of determining 34 gross gaming revenue.
  - Sec. 2. (NEW) (Effective from passage) (a) Within twelve months of the authorization of any casino gaming facility by the General Assembly, the commissioner shall adopt regulations, in accordance with the provisions of chapter 54 of the general statutes, for the administration of casino gaming facilities. Such regulations shall include provisions to protect the public interest in the integrity of gaming operations and reduce the dangers of unsuitable, unfair or illegal practices, methods and activities in the conduct of gaming. Such regulations shall include, but need not be limited to:

LCO No. 4739 **2** of 15

- 44 (1) Minimum accounting standards for a casino gaming facility;
- 45 (2) Minimum security procedures including the video monitoring of casino gaming facilities;
- 47 (3) Approved hours of operation for gaming and nongaming 48 activities at casino gaming facilities;
- 49 (4) Procedures governing the manufacture, sale, lease and 50 distribution of gaming devices and equipment for use in casino 51 gaming facilities;
- 52 (5) Procedures for the recovery of winnings by patrons of casino gaming facilities;
- 54 (6) Procedures governing how gross gaming revenue are calculated 55 and reported by a casino gaming facility;
- 56 (7) Requirements for regular auditing of the financial statements of a 57 casino gaming facility;
- 58 (8) Procedures to be followed by any casino gaming facility for cash transactions;
- 60 (9) Procedures regarding the maintenance of lists of persons banned 61 from any casino gaming facility and security measures to enforce such 62 bans;
- 63 (10) Standards for the provision of complimentary goods and 64 services to casino gaming facility patrons;
- 65 (11) Minimum standards of training for persons employed in a 66 casino gaming facility;
- 67 (12) Procedures governing the submission of standards of operation 68 and management of gaming operations by casino gaming facilities to 69 the commissioner; and

LCO No. 4739 3 of 15

(13) Requirements for information and reports from casino gaming facilities as prescribed by the commissioner to enable effective auditing of casino gaming operations.

70

71

72

73

74

75

76

77

78

79

80

81

82

83

84

85

86

87 88

89

90

91

92

93

94

95

96

97

98

99

100

101

(b) Until such regulations are adopted and in effect, a casino gaming facility may operate pursuant to its standards of operation and management, provided such standards are approved by the commissioner pursuant to section 3 of this act.

Sec. 3. (NEW) (Effective from passage) (a) Each casino gaming facility shall submit to the commissioner a description of its standards of operation and management of all gaming operations. The description shall include: (1) Accounting controls to be used in casino gaming operations, (2) job descriptions for all positions involved in casino gaming operations, (3) procedures for the security of chips, cash and other cash equivalents used in authorized games, (4) procedures for the safety and security of patrons of the casino gaming facility, (5) procedures and rules governing the conduct of any authorized games conducted at the casino gaming facility, (6) a certification by the attorney of the casino gaming facility that the submitted standards of operation and management conform to state law and regulations governing casino gaming operations, (7) a certification by the chief financial officer of the casino gaming facility or an independent auditor that the submitted standards of operation and management provide adequate and effective controls, establish a consistent overall system of procedures and administrative and accounting controls and conform to generally accepted accounting principles, and (8) any other standards required by the commissioner.

(b) The commissioner shall approve or reject a submission of standards of operation and management required under subsection (a) of this section not later than sixty days after the date on which the commissioner received such standards. No casino gaming facility may commence casino gaming operations unless such standards of operation and management are approved by the commissioner.

LCO No. 4739 **4** of 15

(c) No casino gaming facility shall revise any standards of operation and management that have been approved by the commissioner pursuant to subsection (b) of this section unless the revision has been approved by the commissioner. If the commissioner fails to approve or reject a submitted revision not later than sixty days after the date on which the commissioner received such revision, such revision shall be deemed approved.

102

103

104

105

106

107

108

126

127

128

129

- (d) A casino gaming facility aggrieved by an action of the commissioner under the provisions of this section may request in writing a hearing before the commissioner. Such hearing shall be held in accordance with the provisions of chapter 54 of the general statutes. The casino gaming facility may appeal from the final decision in accordance with the provisions of section 4-183 of the general statutes.
- (e) The commissioner shall periodically review a casino gaming facility's compliance with state law and regulations governing casino gaming facilities.
- Sec. 4. (NEW) (*Effective from passage*) (a) No person may commence or continue employment on the gaming floor or in a gaming-related position in a casino gaming facility unless such person holds a gaming employee license issued by the commissioner.
- (b) No person or business organization may provide more than twenty-five thousand dollars of nongaming goods or services per year in a casino gaming facility unless such person or business organization holds a nongaming vendor license issued by the commissioner.
  - (c) No person or business organization may provide gaming services or gaming equipment to a casino gaming facility unless such person or business organization holds a gaming services license issued by the commissioner.
- (d) No business organization, other than a shareholder in a publicly
   traded corporation, may exercise control in or over a licensee licensed

LCO No. 4739 5 of 15

pursuant to this section unless such business organization holds a gaming affiliate license issued by the commissioner.

- (e) Each applicant for a license issued pursuant to this section shall submit a completed application on forms prescribed by the commissioner. Such application forms may require the applicant to submit information as to: (1) Financial standing and credit; (2) moral character; (3) criminal record, if any; (4) previous employment; (5) corporate, partnership or association affiliations; (6) ownership of personal assets; and (7) any other information as the commissioner deems pertinent to the issuance of such license.
- (f) The commissioner shall, as soon as practicable after the receipt of a completed license application, grant or deny the license application. Any license issued by the commissioner pursuant to this section shall be effective for not more than one year from the date of issuance. Applications for renewal of any such license shall be in such form as prescribed by the commissioner. Any holder of a license issued pursuant to this section who submits an application to renew such license may continue to be employed by a casino gaming facility or provide services to a casino gaming facility until the commissioner grants or denies such renewal application.
  - (g) The commissioner may issue a temporary license at the request of any person who has submitted an application for a license under this section. The commissioner shall require such applicant to submit to state and national criminal history records checks before receiving a temporary license. The criminal history records checks shall be conducted in accordance with section 29-17a of the general statutes. A temporary license shall expire when the commissioner grants or denies the application for a license under this section.
  - (h) The commissioner may investigate any person or business organization that holds a license pursuant to this section at any time and may suspend or revoke such license for good cause after a hearing

LCO No. 4739 6 of 15

- held in accordance with the provisions of chapter 54 of the general statutes. Any person or business organization whose license is suspended or revoked, or any applicant aggrieved by the action of the commissioner concerning an application for a license or renewal application, may appeal pursuant to section 4-183 of the general statutes.
- Sec. 5. (NEW) (*Effective from passage*) (a) For the purposes of this section, "alcoholic liquor" has the same meaning as provided in section 30-1 of the general statutes.
- (b) Except as provided in subsection (c) of this section, no person under the minimum age for purchase of alcoholic liquor under the provisions of chapter 545 of the general statutes shall be admitted onto the gaming floor of any casino gaming facility nor be permitted to participate in any authorized games.

177

178

179

180

181

184

185

186

187

188

189

190

191

192

193

- (c) A person eighteen years of age or older but under the minimum age for the purchase of alcoholic liquor may be employed in a casino gaming facility provided such person is licensed by the commissioner pursuant to section 4 of this act and such employment does not involve handling or serving alcoholic liquor.
- Sec. 6. Section 12-561 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

No commissioner or unit head or employee of the department shall directly or indirectly, individually or as a member of a partnership or as a shareholder of a corporation, have any interest whatsoever in dealing in any lottery, racing, fronton, [or] betting enterprise or casino gaming facility or in the ownership or leasing of any property or premises used by or for any lottery, racing, fronton, [or] betting enterprise or casino gaming facility. No commissioner or unit head shall, directly or indirectly, wager at any off-track betting facility, race track, [or] fronton or casino gaming facility authorized under this chapter or purchase lottery tickets issued under this chapter. The

LCO No. 4739 7 of 15

194 commissioner may adopt regulations in accordance with the 195 provisions of chapter 54 to prohibit any employee of the department 196 from engaging, directly or indirectly, in any form of legalized 197 gambling activity in which such employee is involved because of his <u>or</u> 198 <u>her</u> employment with the department. For purposes of this section, 199 "unit head" means a managerial employee with direct oversight of a 200 legalized gambling activity.

201

202

203

204

205

206

207

208

209

210

211

212

213

214

215

216

217

218

219

220

221

222

- Sec. 7. Subsection (a) of section 12-562 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):
- (a) Except as provided in subsection (b) of this section, the commissioner shall have power to enforce the provisions of this chapter and chapter 226b, and shall adopt all necessary regulations for that purpose and for carrying out, enforcing and preventing violation of any of the provisions of this chapter, for the inspection of licensed premises, [or] enterprises or casino gaming facilities, for insuring proper, safe and orderly conduct of licensed premises, [or] enterprises or casino gaming facilities and for protecting the public against fraud or overcharge. The commissioner shall have power generally to do whatever is reasonably necessary for the carrying out of the intent of this chapter; and may call upon other administrative departments of the state government and of municipal governments for such information and assistance as he or she deems necessary to the performance of his or her duties. The commissioner shall set racing and jai alai meeting dates, except that the commissioner may delegate to designated staff the authority for setting make-up performance dates. The commissioner shall, as far as practicable, avoid conflicts in the dates assigned for racing or the exhibition of the game of jai alai in the state.
- Sec. 8. Section 12-563a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

LCO No. 4739 **8** of 15

The Commissioner of Consumer Protection shall, within available resources, prepare and distribute informational materials designed to inform the public of the programs available for the prevention, treatment and rehabilitation of compulsive gamblers in this state. The commissioner shall require any casino gaming facility and any person or business organization which is licensed to sell lottery tickets, operate an off-track betting system or conduct wagering on racing events or jai alai games, to display such informational materials at the casino gaming facility and each licensed premise.

225

226227

228

229

230

231

232

233

250

251

252

253

254

- Sec. 9. Section 12-577 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):
- 236 The commissioner shall annually cause to be made by some 237 competent person or persons in the department a thorough audit of 238 the books and records of each association licensee under this chapter 239 and each casino gaming facility and the commissioner may, from time 240 to time, cause to be made by some competent person in the 241 department a thorough audit of the books and records of any other 242 person or business organization licensed under this chapter. All such 243 audit records shall be kept on file in the commissioner's office at all 244 times. Each licensee and casino gaming facility shall permit access to 245 its books and records for the purpose of having such audit made, and 246 shall produce, upon written order of the commissioner, any documents 247 and information required for such purpose.
- Sec. 10. Section 12-578 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):
  - (a) The commissioner shall adopt regulations, in accordance with the provisions of chapter 54, governing registration and the issuance and annual renewal of licenses and payment of annual nonrefundable application fees for the same in accordance with the following schedule:
- 255 (1) Registration: (A) Stable name, one hundred dollars; (B)

LCO No. 4739 **9** of 15

partnership name, one hundred dollars; (C) colors, twenty dollars; (D)kennel name, one hundred dollars.

258

259

260

261

262

263

264

265

266

267

268

269

270

271

272

273

274

275

276

277

278

279

280

281

282

283

284

285

286

287

288

(2) Licenses: (A) Owner, one hundred dollars; (B) trainer, one hundred dollars; (C) assistant trainer, one hundred dollars; (D) jockey, forty dollars; (E) jockey agent, for each jockey, one hundred dollars; (F) stable employees, including exercise boy, groom, stable foreman, hot walker, outrider, twenty dollars; (G) veterinarian, one hundred dollars; (H) jockey apprentice, forty dollars; (I) driver, one hundred dollars; (J) valet, twenty dollars; (K) blacksmith, twenty dollars; (L) plater, twenty dollars; (M) concessionaire, for each concession, two hundred fifty dollars; (N) concessionaire affiliate, for each concession of the concessionaire, two hundred fifty dollars; (O) concession employees, twenty dollars; (P) jai alai players, one hundred dollars; (Q) officials and supervisors, one hundred dollars; (R) pari-mutuel employees, forty dollars; (S) other personnel engaged in activities regulated under this chapter, twenty dollars; (T) vendor, for each contract, two hundred fifty dollars; (U) totalizator, for each contract, two hundred fifty dollars; (V) vendor and totalizator affiliates, for each contract of the vendor or totalizator, two hundred fifty dollars; (W) gaming employee, forty dollars; (X) nongaming vendor, two hundred fifty dollars; (Y) gaming services, five hundred dollars; and (Z) gaming affiliate, two hundred fifty dollars. For the purposes of this subdivision, "concessionaire affiliate" means a business organization, other than a shareholder in a publicly traded corporation, that may exercise control in or over a concessionaire; and "concessionaire" means any individual or business organization granted the right to operate an activity at a dog race track or off-track betting facility for the purpose of making a profit that receives or, in the exercise of reasonable business judgment, can be expected to receive more than twenty-five thousand dollars or twenty-five per cent of its gross annual receipts from such activity at such track or facility.

(b) The commissioner shall require each applicant for a license under subdivision (2) of subsection (a) of this section to submit to state

LCO No. 4739 **10** of 15

and national criminal history records checks before such license is issued. The criminal history records checks required pursuant to this subsection shall be conducted in accordance with section 29-17a.

Sec. 11. Section 53-278g of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

- (a) Nothing in sections 53-278a to [53-278g] 53-278f, inclusive, shall be construed to prohibit the publication of an advertisement of, or the operation of, or participation in, a state lottery, pari-mutuel betting at race tracks licensed by the state, off-track betting conducted by the state or a licensee authorized to operate the off-track betting system, authorized games at a casino gaming facility, a promotional drawing for a prize or prizes, conducted for advertising purposes by any person, firm or corporation other than a retail grocer or retail grocery chain, wherein members of the general public may participate without making any purchase or otherwise paying or risking credit, money, or any other tangible thing of value or a sweepstakes conducted pursuant to sections 42-295 to 42-301, inclusive.
- (b) The Mashantucket Pequot tribe and the Mohegan Tribe of Indians of Connecticut, or their agents, may use and possess at any location within the state, solely for the purpose of training individuals in skills required for employment by the tribe or testing a gambling device, any gambling device which the tribes are authorized to utilize on their reservations pursuant to the federal Indian Gaming Regulatory Act; provided no money or other thing of value shall be paid to any person as a result of the operation of such gambling device in the course of such training or testing at locations outside of the reservation of the tribe. Any person receiving such training or testing such device may use any such device in the course of such training or testing. Whenever either of said tribes intends to use and possess at any location within the state any such gambling device for the purpose of testing such device, the tribe shall give prior notice of such testing to the Department of Consumer Protection.

LCO No. 4739 11 of 15

- 321 (c) Any casino gaming facility, or its agents, may use and possess at 322 any location within the state, solely for the purpose of training individuals in skills required for employment by the casino gaming 323 facility or testing a gambling facility, any gambling device which the 324 325 casino gaming facility may use for conducting authorized games at the 326 casino gaming facility, provided no money or other thing of value shall 327 be paid to any person as a result of the operation of such gambling 328 device in the course of such training or testing at locations outside of 329 the casino gaming facility. Any person receiving such training or 330 testing such device may use any such device in the course of such 331 training or testing. Whenever a casino gaming facility intends to use 332 and possess at any location within the state any such gambling device 333 for the purpose of testing such device, the casino gambling facility 334 shall give prior notice of such testing to the Department of Consumer 335 Protection.
- Sec. 12. Subsection (a) of section 30-37k of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):
- 339 (a) As used in this section and subsection (a) of section 30-91: (1) 340 "Casino" means the premises within which a gaming facility is 341 operated with other facilities, including, but not limited to, restaurants, 342 hotels, nightclubs, bingo halls or convention centers; and (2) "gaming 343 facility" means a room or rooms within which class III gaming, as 344 defined in the Indian Gaming Regulatory Act, P.L. 100-497, 25 USC 345 2701, et seq., or an authorized game, as defined in section 12-557b, as 346 amended by this act, is legally conducted.
- Sec. 13. (NEW) (*Effective from passage*) (a) For the purposes of this section and section 14 of this act:
- (1) "Authorized games" means any game of chance, including, but not limited to, blackjack, poker, dice, money-wheels, roulette, baccarat, chuck-a-luck, pan game, over and under, horse race game, acey-deucy,

LCO No. 4739 12 of 15

- beat the dealer, bouncing ball, video slot machines and any other game of chance authorized by the Commissioner of Consumer Protection;
- 354 (2) "Mashantucket Pequot compact" means the Tribal-State Compact
- 355 between the Mashantucket Pequot Tribe and the state of Connecticut,
- 356 as incorporated and amended in the Final Mashantucket Pequot
- 357 Gaming Procedures prescribed by the Secretary of the United States
- 358 Department of the Interior pursuant to Section 2710(d)(7)(B)(vii) of
- 359 Title 25 of the United States Code and published in 56 Federal Register
- 360 24996 (May 31, 1991);
- 361 (3) "MMCT Venture, LLC" means a limited liability company
- described in subsection (d) of this section; and
- 363 (4) "Mohegan compact" means the Tribal-State Compact between
- 364 the Mohegan Tribe of Indians of Connecticut and the state of
- 365 Connecticut, dated May 17, 1994.
- 366 (b) MMCT Venture, LLC, is authorized to conduct authorized
- 367 games at a casino gaming facility at 171 Bridge Street, East Windsor,
- 368 Connecticut.
- 369 (c) Such authorization shall not be effective until the Governor
- 370 enters into an amendment to the Mashantucket Pequot compact with
- 371 the Mashantucket Pequot Tribe and an amendment to the Mohegan
- 372 compact with the Mohegan Tribe of Indians of Connecticut concerning
- 373 the operation of a casino gaming facility in the state and each
- amendment is approved by the General Assembly pursuant to section
- 375 3-6c of the general statutes and by the Secretary of the United States
- 376 Department of the Interior pursuant to 25 CFR 291.14 and 25 CFR
- 377 293.4, respectively.
- 378 (d) Such authorization shall apply to MMCT Venture, LLC,
- 379 provided MMCT Venture, LLC, is a limited liability company jointly
- and exclusively owned by the Mashantucket Pequot Tribe and the
- 381 Mohegan Tribe of Indians of Connecticut. No other person or business

LCO No. 4739 13 of 15

Each tribe shall hold at least a twenty-five per cent equity interest in MMCT Venture, LLC. Such authorization may not be transferred to any other person or business organization except with the approval of the General Assembly. Any purported transfer of such authorization shall not permit the transferee to operate a casino gaming facility. If

organization may hold an equity interest in MMCT Venture, LLC.

- 388 MMCT Venture, LLC, ceases to be a limited liability company jointly
- 389 and exclusively owned by the Mashantucket Pequot Tribe and the
- 390 Mohegan Tribe of Indians of Connecticut, such authorization shall
- 391 become void.

- Sec. 14. (NEW) (*Effective from passage*) (a) For the purposes of this section, "gross gaming revenue" has the same meaning as provided in section 12-557b of the general statutes, as amended by this act.
  - (b) Within thirty days of the effective date of the authorization of MMCT Venture, LLC, to conduct authorized games at a casino gaming facility pursuant to section 13 of this act, MMCT Venture, LLC, shall pay to the state one million dollars to provide for the costs to be incurred by the state to regulate the casino gaming facility. Such money shall be credited against unpaid required payments pursuant to subsection (c) of this section for the first full calendar year in which the casino gaming facility is conducting authorized games.
    - (c) Not later than one month after the casino gaming facility is operational and on a monthly basis thereafter, MMCT Venture, LLC, shall pay to the state (1) twenty-five per cent of the gross gaming revenue from the operation of video slot machines at the casino gaming facility, and (2) twenty-five per cent of the gross gaming revenue from the operation of all other authorized games at the casino gaming facility, fifteen per cent of which shall be deposited into the state-wide tourism marketing account, established pursuant to section 10-395a of the general statutes.
- 412 (d) Not later than the date the casino gaming facility is operational

LCO No. 4739 14 of 15

and on an annual basis thereafter, MMCT Venture, LLC, shall contribute three hundred thousand dollars to the Connecticut Council

415 on Problem Gambling.

This act shall take effect as follows and shall amend the following		
sections:		
Section 1	from passage	12-557b
Sec. 2	from passage	New section
Sec. 3	from passage	New section
Sec. 4	from passage	New section
Sec. 5	from passage	New section
Sec. 6	from passage	12-561
Sec. 7	from passage	12-562(a)
Sec. 8	from passage	12-563a
Sec. 9	from passage	12-577
Sec. 10	from passage	12-578
Sec. 11	from passage	53-278g
Sec. 12	from passage	30-37k(a)
Sec. 13	from passage	New section
Sec. 14	from passage	New section

## Statement of Purpose:

To (1) regulate the operation of a casino gaming facility in Connecticut, and (2) authorize MMCT Venture, LLC, to operate a casino gaming facility in Connecticut subject to certain conditions.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]

LCO No. 4739 **15** of 15